

## CONFERENCE COMMITTEE REPORT DIGEST FOR ESB 389

**Citations Affected:** IC 22-2-4-1; IC 22-2-4-2; IC 22-2-4-3; IC 22-2-4-4; IC 22-2-4-6; IC 22-2-6-2; IC 22-5-6.

**Synopsis:** Wage payment issues. Permits a wage assignment for the payment of uniform costs and the payment of tool and equipment costs. Repeals and relocates language making it a Class C infraction for an employer to sell merchandise or supplies to an employee for a price higher than to the public. Repeals language requiring an employer to pay employees in commercial paper. Repeals duplicative language concerning frequency of wage payments to employees. Repeals outdated language concerning liens of laborers. **(This conference committee report removes provisions that would have done the following: (1) Provided a procedure for an employer to deduct amounts due to the employer from the employee from unpaid wages due to the employee. (2) Provided that after employment terminates, neither an employer nor an employee is precluded from recovering damages other than unpaid wages or amounts due to the employer. (3) Provided that a mechanic's lien may be recorded for unpaid or unsatisfied fringe benefits and withholdings due an employee in the construction trades. (4) Permitted a wage assignment for the payment of tuition repayment.)**

**Effective:** July 1, 2003.

## CONFERENCE COMMITTEE REPORT

**MR. PRESIDENT:**

*Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 389 respectfully reports that said two committees have conferred and agreed as follows to wit:*

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 22-2-6-2, AS AMENDED BY P.L.83-2001,
- 3 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2003]: Sec. 2. (a) Any assignment of the wages of an
- 5 employee is valid only if all of the following conditions are satisfied:
- 6 (1) The assignment is:
- 7 (A) in writing;
- 8 (B) signed by the employee personally;
- 9 (C) by its terms revocable at any time by the employee upon
- 10 written notice to the employer; and
- 11 (D) agreed to in writing by the employer.
- 12 (2) An executed copy of the assignment is delivered to the
- 13 employer within ten (10) days after its execution.
- 14 (3) The assignment is made for a purpose described in subsection
- 15 (b).
- 16 (b) A wage assignment under this section may be made for the
- 17 purpose of paying any of the following:
- 18 (1) Premium on a policy of insurance obtained for the employee by
- 19 the employer.
- 20 (2) Pledge or contribution of the employee to a charitable or
- 21 nonprofit organization.
- 22 (3) Purchase price of bonds or securities, issued or guaranteed by

the United States.

(4) Purchase price of shares of stock, or fractional interests therein, of the employing company, or of a company owning the majority of the issued and outstanding stock of the employing company, whether purchased from such company, in the open market or otherwise. However, if such shares are to be purchased on installments pursuant to a written purchase agreement, the employee has the right under the purchase agreement at any time before completing purchase of such shares to cancel said agreement and to have repaid promptly the amount of all installment payments which theretofore have been made.

(5) Dues to become owing by the employee to a labor organization of which the employee is a member.

(6) Purchase price of merchandise sold by the employer to the employee, at the written request of the employee.

(7) Amount of a loan made to the employee by the employer and evidenced by a written instrument executed by the employee subject to the amount limits set forth in section 4(c) of this chapter.

(8) Contributions, assessments, or dues of the employee to a hospital service or a surgical or medical expense plan or to an employees' association, trust, or plan existing for the purpose of paying pensions or other benefits to said employee or to others designated by the employee.

(9) Payment to any credit union, nonprofit organizations, or associations of employees of such employer organized under any law of this state or of the United States.

(10) Payment to any person or organization regulated under the Uniform Consumer Credit Code (IC 24-4.5) for deposit or credit to the employee's account by electronic transfer or as otherwise designated by the employee.

(11) Premiums on policies of insurance and annuities purchased by the employee on the employee's life.

(12) The purchase price of shares or fractional interest in shares in one (1) or more mutual funds.

(13) A judgment owed by the employee if the payment:

(A) is made in accordance with an agreement between the employee and the creditor; and

(B) is not a garnishment under IC 34-25-3.

**(14) Payment for the purchase or maintenance of uniforms worn by the employee while performing duties for the employer.**

**(15) Payment for the purchase or rental of tools and equipment used by the employee while performing duties for the employer.**

SECTION 2. IC 22-5-6 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2003]:

**Chapter 6. Employer Sales to Employees**

**Sec. 1. An employer may not sell to an employee of the employer any:**

**(1) merchandise; or**

1           **(2) supplies;**  
2           **at a higher price than the employer sells the merchandise or**  
3           **supplies for cash to another person who is not an employee of the**  
4           **employer.**

5           **Sec. 2. A person who violates section 1 of this chapter commits a**  
6           **Class C infraction.**

7           SECTION 3. THE FOLLOWING ARE REPEALED [EFFECTIVE  
8           JULY 1, 2003]: IC 22-2-4-1; IC 22-2-4-2; IC 22-2-4-3; IC 22-2-4-4;  
9           IC 22-2-4-6.

          (Reference is to ESB 389 as printed April 1, 2003.)

**Conference Committee Report**  
**on**  
**Engrossed Senate Bill 389**

**S**igned by:

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Senator Young R Michael  
Chairperson

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Representative Frenz

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Senator Howard

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Representative Borrer

**Senate Conferees**

**House Conferees**